

February 12, 2007

Dear Friend:

Last week President Bush released his Fiscal Year 2008 (FY08) Budget Request. Although the President and I do not have many shared priorities, I am nonetheless disappointed in many of the budget items he has outlined for cuts. Furthermore, while I agree we must balance the federal budget, under realistic assumptions the budget he proposed earlier this week remains in deficit every year. In short, implementing the President's budget would prove devastating to the American people.

The President's budget includes substantial cuts to important health care services, education and the environment, while once again calling for tax policies that benefit the wealthiest of our country to the amount of nearly \$2 trillion. He also requests \$252 billion in Medicare cost reductions over 10 years without reinvesting those savings in program improvements, and \$28 billion in Medicaid cost reductions. He also requests an insufficient amount of funding for the Children's Health Insurance Program, which will reduce the number of children and adults receiving health insurance. These health care proposals will only increase the number of Americans without adequate coverage, not help the 47 million without insurance today.

The President has squandered the excellent economic foundation he inherited. In 2001, when President Bush came to the White House, he enjoyed a budget surplus of \$236 billion – a bank balance no President has experienced before. Within two years, that surplus was gone, and the United States began accumulating a mountain of national debt, totaling over \$3 trillion. The statutory debt ceiling was last raised by \$781 billion to \$9 trillion in March of 2006. Because of the President's policies, the debt ceiling will have to be raised again by the end of this year.

The deficit for 2006 was \$248 billion, and deficits will stay in roughly that range over 2007, 2008 and 2009. When the surplus in Social Security is excluded, as it should be, on-budget deficits over those three years will exceed \$400 billion.

I do not share the President's values, as reflected in his budget request, and believe it is detrimental to the economic health of our nation to be operating under such financial conditions. As the budget process continues this year, I will continue to work on the priorities of hard-working New Mexicans such as adequate funding for health care, investing in social security, quality care for our increasing number of veterans and improved accessibility to higher education.

For more information on how the President's budget recommendations would impact New Mexico families, please visit

<http://www.tomudall.house.gov/pdf/NMbudgetfactsheet2007.pdf>.

For further information on any other federal issue, please visit my website at www.tomudall.house.gov.

Very Truly Yours,

Tom Udall
Member of Congress